

Missouri House Appropriations-Education Committee
Testimony from Northwest Missouri State University's President, Dr. John Jasinski
February 1, 2012

Thank you, Appropriations Committee members, for your time this morning and your efforts in helping our State advance.

I could address all of the statistics of how efficient we have become since being funded at the proposed budget appropriation level back in 1998 – or even over the last three years that I have been president – and our overall institutional success statistics. But my colleagues before me this morning have done a nice job of that – as will others this afternoon.

This morning I will provide a student perspective of the educational experience, briefly address your five areas of inquiry and thereafter make a few comments.

Kacie Wright is a junior at Northwest majoring in agribusiness. She was raised on a turkey and cattle farm in Tuscumbia and is the youngest of four siblings. Kacie is an ambassador for our Department of Agriculture and serves as the Collegiate Farm Bureau president. Please allow me to play just a short version of her view of the Northwest Bearcat educational experience.

“I am Kacie Wright, and I chose to attend Northwest because it has a comprehensive, hands-on ag department. Northwest is affordable and has several side benefits such as small class sizes, where students are taught by professors, not graduate assistants, and free laptops for full-time students. Northwest is helping me be successful because the classes I’ve taken here are preparing me educationally and intellectually to achieve and compete in a global market. I’ve had leadership and employment opportunities at Northwest that have contributed to shaping my career goals as well as an internship with the Missouri Director of Agriculture last summer. Northwest is helping to keep my education affordable because each year they have granted me an academic and agricultural scholarship. Northwest provides all primary textbooks and laptops and has kept tuition costs consistent. I am taking 16 to 17 credit hours per semester to graduate in four years. I work full time in the summer, and I am working part time on campus during the school year. I also actively seek and apply for available scholarships. Without question, I’m proud to have been able to stay in Missouri to further my education, and I’m very proud to be a Bearcat.”

The proposed budget is a tough message for higher education, but we have a choice in how we respond. At Northwest, we will remain a team player and wish to be collaborative in a) helping address the state budget situation, b) maintaining and enhancing the quality of public higher education and c) keeping higher education accessible and affordable. We do it for Kacie and her peers, for the good of our state and because our mission focuses us on student success – every student, every day.

And now on to your five areas of inquiry.

1. The impact of the Governor recommended 12.5% cut to institutions

This budget proposal is a game changer. If this proposal stays in place, Northwest will be at 1998 funding levels, not even adjusting for inflation. There is no sugar coating here. We are well beyond cuts around the edges and are moving to vertical and surgical cuts – programs, services and personnel.

With the Consumer Price Index at 3 percent, a corresponding tuition hike will barely cover our projected mandatory expense increases. Thus, we are looking at somewhere north of \$4 million in funding cuts. This factors in the 12.5 percent proposed budget decrease and our commitment to a multi-year compensation approach that is imperative as we seek to retain and attract the best faculty and staff to ensure the quality of a Missouri public higher education experience keeps pace with and goes beyond that of states around us.

Northwest will make up a small part of budget cuts from direct expenses – operating budgets – but we have already stripped those to a minimum. As I mentioned previously, our cuts will range from program and position eliminations to position reclassifications and structural changes.

Ladies and gentlemen, we are performing, we are efficient, and we are working hard to keep higher education accessible and affordable.

I also would be remiss in not mentioning that we should consider what message we are sending prospective students and employees as they consider a Missouri public higher education institution. States around us are investing in higher education. Missouri can and should, too.¹

2. The status of each institution's reserve funds

University obligated reserves include \$3.8 million for encumbrances and obligations, \$4.8 million for designated programs and initiatives and \$11.3 million designated toward the minimum accreditation threshold for the Higher Learning Commission Composite Financial Index rating (\$15.6 million represents our minimum threshold requirement for fiscal year ending June 30, 2011).

3. Institutional capital needs and deferred maintenance

Northwest had a third-party Facilities Conditions Assessment completed in December 2010, and it gave us a picture of upwards of \$120 million of backlog in key renovation and repair needs campus wide – \$50 million of which is on the E and G side of the house.² Suffice it to say, we could use support for addressing our deferred maintenance issues and elevate those to a high priority. New capital requests include, for example, a communication, fine and performing arts building, and an alternative energy production upgrade.

¹ We are committed to protecting the quality of the Northwest experience that you and our fellow citizens have come to expect from Bearcat Country, and we pledge to keep it at an affordable range. Northwest has experienced a nearly 17 percent increase in FTEs since 2008, our freshman enrollment of 1,498 this past fall was a record, our freshman success rate stands over 5 percent higher than the state average, and our athlete success rate is 11 percent higher than the national average. Regarding affordability, we have kept our tuition increases in line with the CPI over the last three years; our internationally benchmarked student employment program that employs over 900 students can earn a student more than \$39,000 by working on campus for four years; our laptop program saves every student an average of \$1,000; our textbook rental fee saves students nearly \$1,200 per year, or a total of over \$6 million for our full time enrollment over an academic year; 85 percent of our students receive some form of financial aid and the average package is \$8,500; and our student loan default rate is among the lowest in the state at 4.3 percent, significantly lower than the national rate of 8.7 percent and state rate of 7.6 percent. We should note, too, that mandatory costs at Northwest for such things as benefits, energy/utilities and compliance requirements have risen 24.8% from \$11.1 million (FY 2007) to \$13.9 million (FY 2011), which is well beyond the rate of inflation.

² To maintain our current Facilities Condition Index, it is estimated Northwest would need to spend approximately \$10 million to \$12 million a year over the next 10 years. Currently, we allocate just over \$1 million to deferred repair and maintenance needs. This does not address new capital needs, but please know we submit those to the State each August.

4. Academic programs that have seen the most growth over the last three years

Biology, nursing and dietetics have experienced the highest percentage growth in the last three years at Northwest, and when considering overall enrollment growth, four of the top five programs – and eight of the top ten – align with state and national needs related to STEM disciplines.

5. State appropriations as a percentage of total institutional funding over the last three years

From Fiscal Year 2008 through the present Fiscal Year 2012, our State appropriations have trended downward as a percent of total institutional funding – from 41.5 percent in FY 2008 to 40.3 percent to 39.8 percent to 37.7 percent last year and to 34.9 percent this fiscal year. Please note our current funding levels match those of 1998, but back then state appropriations were 54 percent of our budget. During this stretch we have doubled the amount of scholarships and fellowships we fund to help offset student costs, and a variety of student needs entering college have increased. We all should clearly articulate the facts on affordability – we have shifted costs of public higher education from the State to institutions and students alike.

I close by suggesting this game changer should have our State – its citizens and lawmakers – stepping back to consider and address how much we really value higher education and long-term interests and impacts. For example, how can we continue to spend significantly more on non-violent incarcerated individuals than on spending per full-time equivalent student? We should ask about the status of the initiative petition on the tobacco tax, how much funding we are providing to private higher education institutions and for what purpose, what forms of regulatory efforts are appropriate given the ongoing reduction in state support, how efficient all sectors are in using taxpayer monies, and what the longer-term higher education message and strategy is for the state.

I stand with my higher education counterparts in espousing the value of public higher education, but I ask us to more aggressively pursue embarking on a systemic study of the financial assistance structure; continuing to pursue collaborative arrangements to better serve our citizenry and yield enhanced completion rates; and conducting a longer-term analysis of the structure of higher education and the regulatory environment associated with such.

Thank you, Appropriations Committee on Education members, for your reasoned analysis and your ability to advocate for a longer-term outlook on what an educated citizenry for the State of Missouri means.

I have left with each of you a sampling of “Great Things” happening at Northwest Missouri State University, and these briefings should help bring solace to you that Northwest is representing Missouri quite well and that you may wish to send your family and friends up to Maryville for a campus tour! Please also know that I am providing printed copies of this testimony with some footnote descriptors to provide further amplification of the committee’s five areas of inquiry.

I note that 138 years ago tomorrow, resolutions were passed in Maryville asking for a Normal School to be located in Nodaway County. Today, we proudly serve the mission of focusing on student success – every student, every day. We are asking for the House Appropriations Committee on Education to stand up and recognize the State’s role in helping us focus on student success. On behalf of my colleagues, thank you for your time this morning.